

DISTRICT I
1825 N. French Dr., Hobbs, NM 58240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Ed., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87508

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87508

Form C-102
Revised October 12, 2003

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35339	Pool Code 29665	Pool Name Happy Valley;	State DELAWARE
Property Code 36231	Property Name ALGERITA "32" STATE		Well Number 1
OCRD No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP		Elevation 3354'

Surface Location

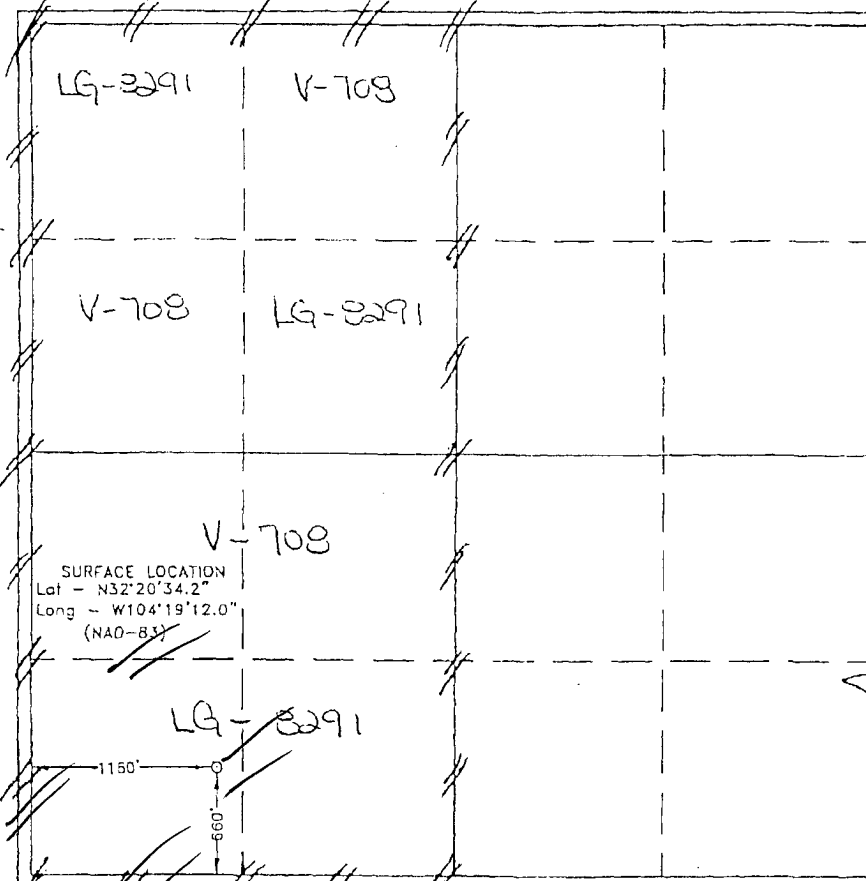
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	22 S	26 E		660	SOUTH	1160	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
220.40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>[Signature]</i> 12/29/06 Signature Date</p> <p>STEPHANIE A. YSASAGA Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 01, 2006 D. Jones Signature of Professional Surveyor 7977 W.D. Jones 7977 CONFIDENTIAL DASH SURVEYS</p>
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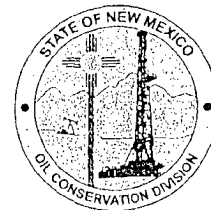


New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



August 26, 2008

Devon Energy Production Company, L.P.
Attn: Mr. Ken Gray
20 North Broadway
Oklahoma City, OK 73102-8260

Administrative Order NSL-5903

Re: Algerita 32 State Well No. 1
API No. 30-015-35339
660 feet FSL and 1160 feet FWL
Unit M, Section 32-22S-26E
Eddy County, New Mexico

Dear Mr. Gray:

Reference is made to the following:

(a) your application (**administrative application reference No. pDKB08-21338056**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on July 31, 2008, and

(b) the Division's records pertinent to this request.

Devon Energy Production Company (Devon) has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The SW/4 SW/4 of Section 32 will be dedicated to this well in order to form a standard 40-acre spacing unit in the undesignated Happy Valley-Delaware Pool (29665). This pool is governed by statewide Rule 104.B(1), which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the eastern unit boundary.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location for topographic reasons.



August 26, 2008

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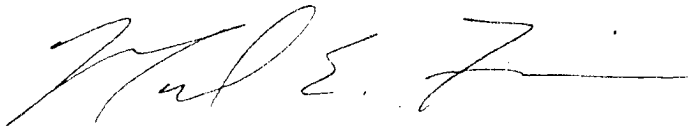
It is also understood that notice of this application to offsetting operators or owners is unnecessary because you have furnished signed consents from all affected owners in the offsetting unit towards which this location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', followed by a horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe